

IN REPLY REFER TO: LC-4220 WTR-4.03

United States Department of the Interior

BUREAU OF RECLAMATION Lower Colorado Regional Office P.O. Box 61470 Boulder City, NV 89006-1470

DEC 0 3 2014

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. and Mrs. Russell Youmans Beattie Farms Southwest 3025 NW Firwood Place Corvallis, OR 97330

Mr. Richard Prinster Beattie Farms Southwest 1551 Mammoth Drive O'Fallon, MO 63366

Subject: Notification of Risk of Exceeding 2014 Adjusted Entitlement by Beattie Farms

Southwest (Farm)

Dear Mr. and Mrs. Youmans and Mr. Prinster:

Effective January 1, 2004, the Inadvertent Overrun and Payback Policy (IOPP) establishes requirements for payback of inadvertent overuse of Colorado River water by users in the Lower Division States. In accordance with the IOPP, this letter provides the Farm with notification that the Bureau of Reclamation's projection as of November 17, 2014, indicates that the Farm's diversion of Colorado River water may exceed the Farm's adjusted Colorado River water entitlement for calendar year 2014.

As noted in Reclamation's letter dated May 5, 2014 (copy enclosed), the Farm is required to pay back a minimum of 179 acre-feet (AF) of Colorado River water in 2014 for overruns incurred by the Farm during calendar years 2011 and 2012. Taking into consideration this payback obligation, the Farm's adjusted entitlement for 2014 is 931 AF. Based on the Farm's reported Colorado River diversions through October 2014 and the Farm's projected diversions for the months of November and December 2014 as provided by Mr. Ray Griffin via email dated November 17, 2014, Reclamation projects that the Farm may overrun its adjusted entitlement by 88 AF.

I remind you that should the Farm's actual calendar year 2014 diversion exceed its adjusted entitlement, Reclamation will be required, in accordance with Section 2.9 of the IOPP, to begin enforcement proceedings and limit releases to the Farm in 2015 to ensure that by the end of 2015 the Farm has fully met its payback obligation.

If you have questions regarding the IOPP, or would like to discuss the Farm's projected 2014 diversion, please contact Mr. Paul Matuska, Manager, Water Accounting and Verification Group at 702-293-8164 or pmatuska@usbr.gov.

Sincerely,

Terrance J. Fulp, Ph.D. Regional Director

Enclosure

cc: Ms. Tanya M. Trujillo
Executive Director
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Jayne Harkins, P.E.
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Mr. Ray Griffin
President
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P.O. Box 1769
Somerton, AZ 85350
(w/encl to each)

Mr. Michael J. Lacey Director Arizona Department of Water Resources 3550 North Central Avenue Phoenix, AZ 85012

Mr. John Entsminger General Manager Southern Nevada Water Authority 1001 South Valley View Boulevard Las Vegas, NV 89153



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Mr. and Mrs. Russell Youmans Beattie Farms Southwest 3025 NW Firwood Place Corvallis, OR 97330

Mr. Richard Prinster Beattie Farms Southwest 1076 Highway P O'Fallon, MO 63366

Subject: Verification of 2013 Inadvertent Overrun Payback by Beattie Farms Southwest (Farm)

Dear Mr. and Mrs. Youmans and Mr. Prinster:

Effective January 1, 2004, the Inadvertent Overrun and Payback Policy (IOPP) established requirements for payback of inadvertent overuse of Colorado River water by users in the Lower Division States. In calendar year 2011, the Farm incurred an overrun in the amount of 453 acre-feet (af). In accordance with the IOPP, Griffin Ranches, Inc., on behalf of the Farm, submitted an IOPP Payback Plan (Payback Plan) in which the Farm outlined a fallowing program to pay back a minimum of 379 af of the Farm's 2011 overrun in 2013. By letter dated December 31, 2012, the Bureau of Reclamation approved the Farm's Payback Plan.

By email dated April 7, 2014, the Farm submitted a report (IOPP certification report) certifying the extraordinary conservation measure implemented by the Farm in 2013 and the amount of Colorado River water conserved for purposes of meeting the Farm's 2013 payback obligation. As outlined in the Farm's IOPP certification report, the Farm fallowed 76.28 acres from January through December 2013, and an additional 72.69 acres from July through December 2013. The Farm certified that through implementation of this fallowing it conserved 472 af of Colorado River water in 2013. The Farm requested that, of the 472 af, 379 af be applied towards the Farm's 2013 payback obligation, and the remaining 93 af be applied as early payback toward the Farm's 2014 obligation.

The IOPP requires that Reclamation monitor implementation of the extraordinary conservation measures outlined in approved payback plans. Reclamation conducted quarterly independent field verification inspections in 2013 and analyzed satellite imagery to verify the fallowing implemented by the Farm. The findings of Reclamation's verification analysis are included in the enclosed report, *Beattie Farms Southwest Inadvertent Overrun and Payback Policy 2013 Verification Report*.

In addition to the Farm's 2011 overrun of 453 af, the Farm had a 235 af overrun in 2012. In accordance with the IOPP, the Farm's payback schedule required the Farm to repay 37 af of its 2011 overrun, and all of its 2012 overrun (235 af) in 2014. Thus, the Farm's required payback amount in 2014 is 272 af.

The Inadvertent Overrun and Payback Technical Committee (IOPTC) met on April 10, 2014, to review the Farm's 2013 IOPP certification report and to make a recommendation regarding the adequacy of the report in demonstrating the achieved payback amount. The IOPTC unanimously recommended the Farm be credited with 472 af of payback for 2013. In its recommendation, the IOPTC acknowledged that, of the total payback, 379 af should be credited towards the Farm's 2013 payback obligation, and 93 af be credited as early payback towards the Farm's 2014 payback obligation.

Taking into consideration the recommendations provided by the IOPTC members, Reclamation's independent verification, and other information, I verify and make the final determination that the Farm conserved 472 af of Colorado River water during 2013 as documented in the Farm's 2013 IOPP certification report, and therefore credit the Farm with this amount of payback for 2013. Additionally, I approve the Farm's request that, of this amount, Reclamation apply 379 af to the Farm's 2013 payback obligation and 93 af as early payback toward the Farm's 2014 payback obligation. Applying the 93 af of early payback reduces the Farm's 2014 payback obligation to 179 af and the Farm's total outstanding overrun balance to 216 af. Reclamation appreciates the Farm's effort to provide payback in advance of its established payback schedule.

If you have questions, please contact Mr. Paul Matuska, Water Accounting and Verification Group Manager, at 702-293-8164 or pmatuska@usbr.gov.

Sincerely,

Terrance J. Fulp, Ph.D. Regional Director

Enclosure

cc: Ms. Tanya M. Trujillo
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Tumo JOH

Mr. Ray Griffin P.O. Box 1769 Somerton, AZ 85350